PROVINCE OF SASKATCHEWAN

2012

ANNUAL REPORT

SASKATCHEWAN
HOUSING
CORPORATION

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Letter of Transmittal

Her Honour, the Honourable Vaughn Solomon Schofield,

Lieutenant Governor of Saskatchewan

May it Please Your Honour:

I respectfully submit the Annual Report of Saskatchewan Housing Corporation for the year ended December 31, 2012. This report includes the financial statements in accordance with *The Saskatchewan Housing Corporation Act*.

Respectfully Submitted,

June Draude
Minister Responsible for
Saskatchewan Housing Corporation

Message from the Minister

It is my privilege to serve as the Minister Responsible for Saskatchewan Housing Corporation (SHC).

This past year was a year of focused effort to deliver on SHC's mandate to address various housing challenges throughout the province. As we enter the third year of The Housing Strategy for Saskatchewan, which was released in August 2011, much has been accomplished.

A suite of targeted programs and initiatives has been developed to provide the housing sector with tools to respond to local needs and ultimately increase the supply of housing across the province. As you will see in this report, these initiatives speak to this overarching strategic direction and support the Saskatchewan Plan for Growth, which serves as a roadmap to sustain the growth we enjoy today and ensure we continue realizing our full promise as a province moving forward to 2020.

While much has been accomplished, much more needs to be done. Housing is a shared responsibility across government and the housing sector. In 2012, we worked diligently to build relationships and to facilitate responses that meet local needs. Our Government will invest $344 million to add 12,600 new housing units to Saskatchewan's landscape by 2016 to help low- and moderate-income families access homes that are safe, suitable and affordable.

None of these programs and initiatives will be successful without collaboration with local governments, non-profit organizations, service providers, housing authorities and many other partners in the private sector. While we continue to create new partnerships, we are very proud to strengthen and build upon existing ones. There have been many success stories over the past year and I thank our housing stakeholders for their actions in addressing housing issues in this province.

Equally important, I would like to commend the SHC Board of Directors, senior management and staff for making a difference in the lives of Saskatchewan people each and every day. Throughout this report, you will see wonderful examples of this commitment in action.

Housing matters to everyone, and I am very proud of the achievements outlined in these pages. Together with our partners, we will continue to make significant contributions to the lives of Saskatchewan people to ensure that our province is the best place to live, work and raise a family.

June Draude
Minister Responsible for
Saskatchewan Housing Corporation

Message from the Assistant Deputy Minister, President and CEO

I am pleased to present the 2012 Annual Report for Saskatchewan Housing Corporation (SHC). This report highlights the activities and programs that are so important to Saskatchewan households in greatest need of secure and affordable housing.

Implementation of The Housing Strategy for Saskatchewan remained our primary focus during 2012. Under the Strategy, SHC co-ordinates an annual Housing Strategy Action Plan which includes government-wide actions that support improvements to housing issues in Saskatchewan. Over the past year, the Province has implemented many initiatives, including:

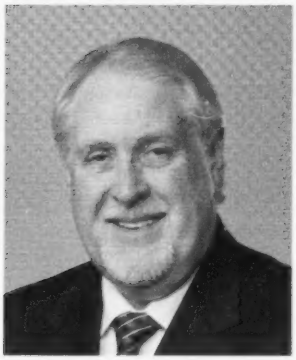
- Support to zone and service land to make it available for residential development across the province;
- Initiatives to incent new housing supply, such as HeadStart on a Home, the Affordable Home Ownership Program, the Rental Construction Incentive and the Summit Action Fund;
- Increased housing options for students;
- Work to build and sustain the housing industry labour force, which includes a partnership with the Northern Lights School Division to build two single-family housing units;
- New incentives and financial options to improve housing affordability, such as the HeadStart Equity Builder Program, Innovative Residential, the First-Time Home Buyers' Tax Credit and SaskEnergy's Energy Efficiency Programs; and
- Continued efforts to support those in greatest housing need in the province.

The partnerships that SHC fosters with the private and non-profit sectors enable all of us to achieve more together. SHC will continue to work closely with groups and communities across the province to address the housing challenges of today, and to prepare for future growth and prosperity.

Our overall goal is to help Saskatchewan people who are most in need of housing to have a safe, quality and stable home where they can put down roots and build their dreams for the future. Looking back over the past year, I am proud of the valuable work that has been done, and honoured to work with so many groups and individuals to make our province a better place to live. There is still work to be done but we have made progress, and our efforts are making a difference.

Don Allen
Assistant Deputy Minister, President and CEO
Saskatchewan Housing Corporation

Message from the Board Chair



Good quality, stable and affordable housing is essential to the growth of our province, communities and neighbourhoods. While most Saskatchewan people are housed successfully in private housing markets, for those in housing need, Saskatchewan Housing Corporation (SHC) collaborates with the public and private sector to ensure there is an adequate supply of various housing types in all communities.

Through the development of *A Strong Foundation – The Housing Strategy for Saskatchewan in 2011*, SHC and its Board of Directors are committed to meeting the goals and objectives set out in the Strategy, as well as renewing and refocusing the time and money invested in programs and initiatives. Throughout this report, you will see how SHC is addressing the housing continuum, ranging from homelessness to the need for affordable rental housing and homeownership.

Our success in implementing these goals and objectives, and delivering on provincial and federal investments, requires SHC to work closely with the housing sector now and in the years to come. As Chair, I am pleased with the results outlined in these pages and the direction that SHC has charted.

The Corporation's success in 2012 is due in no small measure to the enthusiasm and hard work of management, staff and fellow SHC board members. I thank everyone for their dedication, as together we strive to meet our goals and objectives and – most importantly – improve the lives of Saskatchewan people.

We, as the Board, will continue to work in co-operation with our community partners, to new approaches and to making Saskatchewan the best place to live, work and raise a family. We look forward to making further progress on The Housing Strategy for Saskatchewan as we work collaboratively to make it possible for thousands of Saskatchewan households to have a safe place to call home.

K Hanson

Keith Hanson, P.Eng.
Chair, Board of Directors

Introduction

The Annual Report provides an overview of the activities and results of the Saskatchewan Housing Corporation (SHC) for the year ending December 31, 2012. It reports on public commitments made and other key accomplishments of the Corporation.

This document follows a similar format to the 2011 Annual Report. It aligns with the strategic direction of the Ministry of Social Services' Plan for 2012-13, and the Government of Saskatchewan's new vision and goals.

The 2012 Annual Report also sets the stage for future planning by providing an opportunity to assess the accomplishments, results, and lessons learned, and identify how to build on past successes for the benefit of Saskatchewan people.

Alignment with Government's Direction

Vision

Saskatchewan will be the best place in Canada – to live, to work, to start a business, to get an education, to raise a family and to build a life.

Goals

- Sustaining growth and opportunities for Saskatchewan people.
- Improving our quality of life.
- Making life more affordable.
- Delivering responsive and responsible government.

Together, all Ministries and agencies support the achievement of the Government's four goals and work together towards making Saskatchewan the best place to live in Canada.

SHC aligns with the *Saskatchewan Plan for Growth – Vision 2020 and Beyond*, which sets out the Government's vision for a province of 1.2 million people by 2020. A key action of the Saskatchewan Plan for Growth is the investment of $344 million to add 12,600 new housing units by 2016. The programs and initiatives supporting this action will make housing more cost effective for tenants and taxpayers, create more affordable housing, and create hundreds of entry-level homeownership opportunities.

A growing population creates more demand for housing. SHC is responding to this demand by working with the private sector, municipalities, the federal government, other crown corporations, and other Ministries in implementing *A Strong Foundation – The Housing Strategy for Saskatchewan*, and by providing a range of programs and initiatives that are helping to increase the housing supply as well as improve access to housing for those in greatest need.

SHC aligns with the Government's direction by providing a range of housing programs and services for households that could not otherwise afford adequate, safe, and secure shelter. SHC also supports the repair and improvement of existing housing and the development of new housing, making it available for low- to moderate-income households. SHC actions support and complement other Government responses to housing challenges, such as HeadStart on a Home (HeadStart) and the First Time Homebuyer's Tax Credit.

Corporation Overview

Mandate

While recognizing the marketplace as the primary vehicle for the provision of housing, SHC promotes independence and self-sufficiency by providing housing and housing services to people who could not otherwise afford or access adequate, safe, and secure shelter. SHC manages the financial contributions from the provincial, federal, and municipal levels of government and plays a lead role in the development of housing policies on behalf of the Government of Saskatchewan.

Programs and Services

SHC provides a range of housing programs and services, including social and affordable rental housing, home repair, renovation and adaptation programs for homeowners and landlords, supply-focused programs, homeownership options, and support for housing planning.

SHC supports about 24,200 government-subsidized Social and Affordable Rental Housing units and about 4,400 special purpose housing units (i.e. special care and group homes) in the province. Over the years, SHC has helped many households achieve homeownership. There are about 1,000 households who have received such assistance and who still have a forgivable loan with SHC. In total in 2012, SHC provided support for households living in approximately 29,600 housing units. SHC owns 62 per cent of these, which local housing authorities manage on SHC's behalf. The remaining units are owned and managed by non-profit and co-operative groups and the private sector.

Responsibilities of SHC include managing operating agreements with approximately 450 organizations; providing technical services; program and operational policy development, program-related research and reviews; accounting and other financial services; business planning and financial policy development; and delivery of housing programs and services.

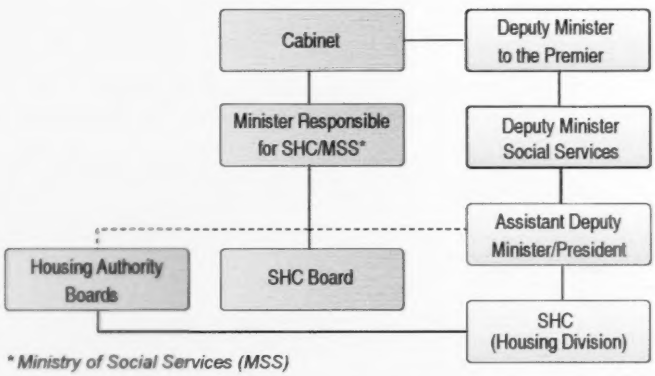
Organizational Structure

SHC is a Treasury Board Crown Corporation and is accountable to Cabinet through the Minister of Social Services. Legislative authority is provided by *The Saskatchewan Housing Act*. The *Act* establishes a Board of Directors (the Board) to conduct the affairs and business of the Corporation. The Board provides oversight in accordance with the legislated objectives and powers vested in SHC.

The Board is responsible for establishing a strategic direction for SHC within the context of Government priorities and directions, and monitoring results towards those ends.

The Board oversees the financial affairs of SHC, approving business and budget plans and monitoring financial results; ensures that significant risks to the business of SHC are identified and that internal controls and plans are in place to mitigate identified risks; oversees housing program design within the parameters set by the Government of Saskatchewan and/or the Government of Canada cost-sharing requirements; ensures SHC's assets, including information, are safeguarded; and appoints SHC's external auditors subject to the Government of Saskatchewan guidelines, which respect the role of the Provincial Auditor.

SHC's Accountability Structure – Legal and Financial



** Ministry of Social Services (MSS)*

Management services are provided to SHC by the Ministry of Social Services (MSS). SHC pays an annual fee to the Ministry for these services. As part of the Ministry reorganization in 2009, the Housing Division was restructured to achieve greater alignment with the Ministry, positioning strategic policy development, program and operational policy development, program delivery, technical services and network supports to better serve clients and the public at large. In 2012, the Technical Services Branch was transferred out of SHC to the Living Skies Housing Authority (LSHA) to better co-ordinate services to housing authorities.

The Minister establishes local housing authorities and appoints the volunteer board members who oversee operations of the housing authority.

Housing Partners

Partnerships are fundamental for the success of SHC's programs and services. There are about 270 housing authorities responsible for delivery of SHC's Social and Affordable Rental Housing Programs and for managing SHC's housing portfolio. Other partners include non-profit organizations, housing co-operatives, Métis and First Nations housing providers, and private landlords who own and manage housing for low- and moderate-income tenants. SHC also works with municipalities, Social Services, and other Government Ministries and the federal government to integrate housing programs and services with other services.

Volunteers

Saskatchewan has a network of local housing authorities composed of about 1,400 volunteers. Other housing agencies are served by more than 1,200 volunteer members across the province. Dedicated volunteers are integral to the ongoing success of SHC's activities. Community-based management enables local people to respond to local situations, thereby bringing enhanced knowledge and responsiveness to the housing system.

Support to Housing Authorities and Other Housing Agencies

SHC supports the general operation and services of local housing authorities and other housing agencies that are responsible for delivering housing programs and maintaining the operation of housing units. This includes broad management support to general operations, property, tenant, and financial stewardship, as well as assisting the diverse needs of each housing group in their delivery of tenant services and programs.

Progress in 2012

Significant Achievements in 2012

SHC worked with its partners in the private, public, and non-profit sectors toward the following four government-wide goals. A summary of the key 2012 achievements is provided under each.

Goal 1: Sustaining growth and opportunities for Saskatchewan people.

- Worked with the private and non-profit sectors, municipalities, other housing partners, other Crown Corporations, and other Ministries to create *The Housing Strategy for Saskatchewan: Provincial Action Plan 2012-13* which includes actions to support the creation of additional housing, improve housing affordability, support individuals and families in greatest housing need, enhance strategic planning for housing, and provide opportunities for collaboration, communication, and education on housing.
- Following consultations with municipalities, expanded the Encouraging Community Housing Options (ECHO) Program to include new components that encourage municipal and regional planning and actions that will increase the housing supply.
- In response to feedback from the private sector on barriers to rental housing development, the Government launched the new Corporate Income Tax (CIT) Rebate which, along with the Rental Construction Incentive (RCI), is designed to support the addition of up to 10,000 new units across the province.
- Increased funding for the Rental Construction Incentive (RCI) and Affordable Home Ownership Program (AHOP) in response to the high level of take up from municipalities. In 2012, 559 RCI rental units and 35 AHOP homes were completed.
- Introduced a pilot program, the Capital Rent Subsidy, to encourage an increase in new affordable rental housing.

Goal 2: Improving our quality of life.

- Completed rehabilitation work on the existing Government-subsidized housing portfolio in Saskatchewan, improving housing quality and accessibility for residents in over 605 projects in 206 communities across the province, with financial support from the federal government through Canada's Economic Action Plan (CEAP).
- Maintained affordable private market housing in the province by issuing 592 commitments to fund repairs and renovations undertaken by landlords and homeowners.
- Supported the completion of the Lighthouse Supported Living Inc. (Lighthouse) tower in Saskatoon with a $12.9 million contribution from SHC. The supported living housing project will accommodate close to 70 individuals.
- Completed the Milton Heights project in Regina, ensuring that 135 affordable units at risk for demolition were instead revitalized and kept affordable. An investment of $15.5 million was made by SHC to this major project.
- In partnership with housing authorities, implemented the first phase of the Social Housing Rental Program changes in Regina, Saskatoon, Prince Albert and Moose Jaw to ensure that households with the greatest need have better access to government housing. Further implementation of the Program changes will take place in the balance of the province by mid- 2013.

Goal 3: Making life more affordable.

- Increased the supply of affordable rental housing units by completing 521 units in 2012 through SHC's Rental Development Program and other supply programs, with federal and provincial funding provided through the Investment in Affordable Housing agreement. At year end, an additional 280 affordable rental units were under development.

- Launched the redesigned Saskatchewan Home Repair Program with higher assistance levels, increased eligibility, and reduced loan forgiveness periods.
- Launched the redesigned Conversion Initiative with higher assistance levels, increased eligibility, and reduced loan forgiveness periods. In 2012, 29 commitments were made for conversions.
- Launched the redesigned Secondary Suite Program with higher assistance levels and a reduced loan forgiveness period. Fifty secondary suites were completed in 2012.
- Continued our partnership with Habitat for Humanity Saskatchewan to help low-income and moderate-income families achieve homeownership. Twenty-seven families saw the start of their new homes in 2012.

Goal 4: Delivering responsive and responsible government.

- Responded to housing pressures with a variety of programs and initiatives that enable government to be more responsive to changing market conditions while supporting other key players such as the private sector and municipalities. Responding in this manner has enabled SHC to focus on core business for government (dealing with the needs of low-income households).
- Through the *Update on the Housing Strategy for Saskatchewan – April 2012*, shared information on initiatives and reported progress under *A Strong Foundation – The Housing Strategy for Saskatchewan*.
- Hosted the second Housing and Development Summit in Regina in partnership with the Canadian Home Builders' Association – Saskatchewan (CHBA-SK) and other private sector and government representatives, bringing housing experts together to discuss innovative and effective solutions to housing challenges.

Summary of Financial Results

Reported figures reflect results for SHC's fiscal year ending December 31, 2012.

a) Expenditures

SHC expenditures for 2012 were $210.8 million. This was $10.6 million below budget. Lower than expected expenditures for grants and subsidies and operating accounted for the majority of the variance.

b) Revenues

SHC revenues for 2012 were $210.8 million. This was $12.1 million below budget. As expenditures were lower than anticipated, corresponding revenue recognized was also lower. Committed but unspent funding was deferred for use in future years.

Progress by Key Program Areas

This section provides detailed results of SHC's achievements during the 2012 calendar year. Results are provided for each of SHC's major program areas, organized according to the government-wide goals and the broad priorities in *A Strong Foundation – The Housing Strategy for Saskatchewan*.

A Strong Foundation – The Housing Strategy for Saskatchewan

Released in August 2011, *A Strong Foundation – The Housing Strategy for Saskatchewan* is an eight-year, precedent-setting strategy that involves the entire housing sector and promotes a housing environment where all Saskatchewan people have access to homes that enhance their well-being, build local communities and contribute to a growing province. During consultations, housing experts across the province stated that every member of the housing sector has a role in providing housing solutions; therefore, a principle of the strategy is that housing is a shared responsibility. A co-ordinated effort is critical for ongoing success.

The strategy outlines five broad priorities:

- Increase the housing supply;
- Improve housing affordability;
- Support individuals and families in greatest housing need;
- Enhance strategic planning for housing; and
- Collaborate, communicate and educate.

The SHC Board of Directors supported the implementation of the strategy by leading the effort to identify the key housing issues, set targets, report on achievements and undertake ongoing planning. The Board of Directors worked with partners from across the sector, drawing on the knowledge and expertise of housing sector champions.

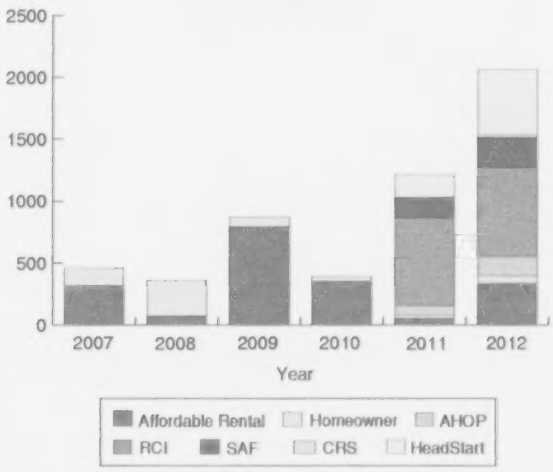
To set the plan into action and establish annual priorities, SHC works with other Crown Corporations and Ministries to create Provincial action plans. Some actions outlined in these plans are designed to have immediate results. Many will become part of regular business practices and carry forward into future years and action plans. Each action builds on SHC's role in the strategy, which serves as a roadmap for the entire housing sector.

The *Provincial Action Plan 2012-13* encompasses actions developed out of results from the first year, as well as new initiatives. Government actions in the second year of this eight-year plan furthered government's progress under the *Provincial Action Plan 2011-12*, which had a strong focus on increasing the housing supply, promoting partnerships, improving government processes and supporting the housing sector.

Increasing the Housing Supply

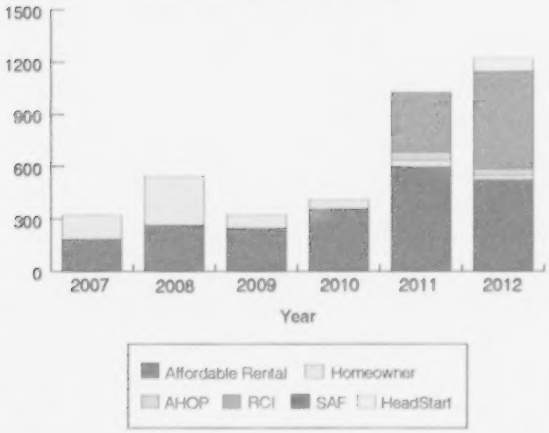
In 2012, SHC continued to focus on actions that increase housing supply for the province's growing population by committing funding to incent the development of over 2,061 housing units. Each new investment has a multi-year life with the potential to serve many individuals and families.

Incenting Housing Supply: Provincial Government Funded Commitments between 2007 and 2012



Regina and Saskatoon led the country amongst major cities in housing starts per capita. Through SHC programs, 1,218 housing units were completed in 2012, adding more than 1,080 units to the rental housing stock and assisting 138 families to achieve homeownership[1]. The chart below shows the number of provincial government funded housing units that were completed over the past six years, illustrating the overall impact SHC supply programs and initiatives have had on increasing the housing supply.

Incenting Housing Supply: Provincial Government Funded Housing Units Completed Between 2007 and 2012



Summit Action Fund (SAF)

Designed to increase housing supply across the province, the Summit Action Fund (SAF) provides a grant of 30 to 70 per cent of eligible project costs, to a maximum of $500,000, to housing stakeholders who have creative housing solutions that are not covered by existing housing programs. The $6 million SAF was announced at the Housing and Development Summit in Saskatoon in April 2011. SAF is expected to contribute approximately 400 new units to the provincial housing supply.

A SAF Selection Committee is responsible for selecting proposals and making decisions regarding funding allocations. The Selection Committee is made up of representatives from the SHC Board and members from the Canadian Home Builders' Association – Saskatchewan.

Affordable Home Ownership Program (AHOP)

The goal of AHOP is to engage municipalities to increase the supply of entry-level homes. The Program matches grants that eligible municipalities provide to homeowners. SHC contributes to participating municipalities an amount equivalent to the education portion of the property tax for five years, to a maximum of $5,000.

When AHOP was introduced in 2011, municipal response exceeded expectations. To meet the demand, the Province committed additional funding, bringing the total funding for AHOP to $3.8 million over five years. Since 2011, commitments have been made to support over 236 new homeownership opportunities in eight communities across the province. To date, 82 homes have been completed

Rental Construction Incentive (RCI)

RCI is designed to help municipalities and private market developers create new rental housing units. The program provides participating municipalities a provincial grant up to $5,000 to match municipal grants or incentives to developers for each eligible new rental unit constructed.

Announced in 2011 with a budget of $14.5 million over five years, response for RCI was immediate and positive. To meet the demand, the Province committed additional funding, bringing the total funding for RCI to $18.7 million over five years. Since 2011, commitments have been made to support the development of more than 1,400 units in a dozen communities. To date, a total of 900 new rental units have been completed.

1 From the time of a funding announcement to construction completion, there is a development time lag. The rate at which these units can be developed depends largely on the complexity of the projects, as well as the availability of land, trades people, and building developers. Hence, commitments and completions are reported separately to clearly illustrate progress to date.

Conversion Initiative

The Conversion Initiative encourages development of new rental housing for low- to moderate-income households by private and non-profit groups by converting non-residential space to residential use. This program was redesigned in 2012 with higher assistance levels, increased eligibility, and shorter loan forgiveness periods. In 2012, commitments were made to support the creation of 29 units through this initiative.

Secondary Suite Program

Enhanced in 2012 to increase participation, the Secondary Suite Program incents the development of affordable housing by providing eligible homeowners and rental property owners with assistance to build or renovate a secondary suite for low- and moderate-income households. Enhancements that took effect in January of 2012 include a reduced loan forgiveness period from 10 to five years and an increase in the level of assistance, which is up to 50 per cent of the construction costs, to a maximum of $30,000 per unit.

In 2012, 50 affordable secondary suites were completed, with funding committed for an additional 107 suites.

Corporate Income Tax (CIT) Rebate on New Rental Housing

The Corporate Income Tax (CIT) Rebate on New Rental Housing was launched on May 1, 2012 with an objective, when combined with the Rental Construction Incentive (RCI), to support the addition of up to 10,000 new rental units to the province. The CIT Rebate is a 10-year non-refundable rebate available to eligible corporations whose sole purpose is the rental of newly developed eligible multi-unit residential housing units in Saskatchewan. The annual rebate, a 10 percentage point reduction on income earned, is available for up to 10 consecutive years after the projects begin to earn rental income.

Encouraging Community Housing Options (ECHO)

To help more municipalities meet housing needs and sustain population and economic growth, the Encouraging Community Housing Options Program was expanded in 2012, following consultations with municipal representatives, to include two new components. These components provide cost-matched funding to municipalities and regions to assist with the cost of housing planning and to encourage action that will increase the housing supply. The two new components match municipal and regional partnership contributions to complete housing plans or to take action on strategies identified in a housing plan or other type of needs assessment. Up to $20,000 is available to complete a housing plan and up to $10,000 to take action. Commitments have been made to assist seven communities in the development of a housing plan and to support three communities to take action on strategies that will increase the housing supply.

Land Sales

In 2012, 240 acres of SHC-owned land in southeast Regina was sold to the City of Regina for $7.825 million. The City of Regina intends to develop the land for housing.

Also in 2012, SHC announced it will sell 336 acres of land adjacent to Regina's northwest city limits. SHC issued a Request for Offers (RFO) in November of 2012. The RFO closed January 17, 2013, with an anticipated close on the sale of the land in spring of 2013.

Improving Housing Affordability

Affordability is related to the availability of housing all along the housing continuum. In a growing province, programs that increase the supply of housing targeted to low- to moderate-income earners provide options for households that might not otherwise be able to afford housing.

Rental Development Program

SHC's Rental Development Program addresses gaps in supply along the housing continuum for greater availability of housing targeted for low- and moderate-income households and

vulnerable people. The Program assists non-profit corporations, co-operative groups, municipalities, First Nations and the private sector to respond to community needs by developing affordable rental housing projects for low- and moderate-income people. In the absence of partners, SHC direct-delivers projects to address housing challenges.

Investments in 2012 resulted in the completion of a total of 521 rental units for families, seniors, and vulnerable citizens. An additional 280 rental units were under construction at year end.

For example, to help assist families in housing need, projects under construction include:

- In Regina, two 11-unit apartment buildings in the Heritage Core Community and a 12-unit complex in the Coronation Park area.
- In Saskatoon, 34 units at Westgate Heights and 20 units in Hartford Heights.
- In Moose Jaw, 28 units.
- In Estevan, six units.

Capital Rent Subsidy (Pilot Program)

Introduced in 2012, the Capital Rent Subsidy is a pilot program intended to encourage the increase of housing across the province. It is expected that the commitment of $5 million will generate 125 affordable housing units for a 10-year period, providing more affordable housing for tenants through a rent subsidy using private market inventory.

Meeting the Housing Needs of First Nations and Métis People

SHC is working in partnership with First Nations, Métis communities, and others to increase housing options for First Nations and Métis people.

In 2012, SHC partnered with Silver Sage Holdings Ltd. (Silver Sage) to develop new homes in Swift Current and Regina. Also in 2012, SHC and Whitecap Dakota First Nation (Whitecap) officially opened a new 12-suite apartment building to accommodate Whitecap employees, reducing the number forced to rent housing in Saskatoon and commute to work and improving the availability of housing for the Saskatoon region as well. SHC and Muskoday First Nation opened five new single family homes in Birch Hills to improve housing options for families.

SHC also worked with northern communities to address housing needs among First Nations, Métis and others living off-reserve in northern Saskatchewan. Through its Summit Action Fund (SAF), SHC is providing start-up funding to Pinehouse Business North Development Inc. and the Northern Village of Pinehouse to create a trust fund for the development of homes for low- to moderate-income residents. Funding was also provided through SAF for the construction of a fourplex for large families in La Ronge. SHC and the La Loche Non-Profit Housing Corporation opened 12 one-bedroom units for single people and eight new two-bedroom units for Métis families in La Loche.

SHC further leverages the development of northern housing with efforts to increase the number of skilled trades people in the province. SHC has partnered with the Northern Lights School Division to construct new housing units, offering students training in basic carpentry skills and work experience as part of their high school curriculum. In the past four years, 11 new housing units have been built through the partnership in La Loche, La Ronge, Beauval, and Pinehouse. Two additional housing units are currently under construction in Buffalo Narrows and La Ronge.

In Yorkton, SHC and the Provincial Métis Housing Corporation (PMHC) officially opened four new units targeted at working parents with large families. SHC partnered with the Lloydminster Métis Housing Group Inc. to develop 10 new homes for Métis seniors in that community. Four new rental homes for seniors were officially opened by SHC and the Prince Albert Community Housing Society Inc. (PACHSI) aimed at addressing the needs of grandparents raising their grandchildren.

Habitat for Humanity (Habitat) Partnership

With the increased cost of new home construction, participation in Habitat's delivery model provides homeownership opportunities for low- and moderate-income families who might not otherwise be able to afford a home. Habitat's unique delivery model requires each selected Habitat partner family to contribute 500 hours of sweat equity to

the construction of their own and other Habitat homes, and to participate in valuable training and preparation sessions. It is an approach to home building that both empowers families and enhances communities.

Since 2009, SHC and Habitat have worked together to provide homes for families in Regina, Moose Jaw, Saskatoon, Prince Albert, Yorkton, Lloydminster, Nipawin and Humboldt. In 2012, Habitat helped 27 families start the construction of their new homes.

Social Housing Rental Program Changes

Fulfilling a commitment under the *Provincial Action Plan 2011-12*, SHC completed a review of the Social Housing Rental Program. Changes announced in 2012 will ensure the Program assists households with the greatest need and that policies adapt to changes in the housing environment. New Social Housing tenants will be selected based on a balanced approach that considers their financial circumstances as well as the safety, condition and crowding of their existing home. Other changes include transparent eligibility criteria that better targets those most in need, and fair rents for those accessing the Program. These changes were introduced in the largest urban centres in the fall of 2012 and will be introduced throughout the rest of the province in 2013.

Portfolio Renewal Strategy

The portfolio renewal strategy will make housing more affordable for tenants and taxpayers, create more affordable housing, and create hundreds of entry-level homeownership opportunities. SHC is building approximately 300 modern, energy-efficient multi-unit buildings for low-income and moderate-income families in Regina, Prince Albert, and Moose Jaw. The use of multi-unit housing for families has been successful in communities across Saskatchewan and Canada. For example, in Saskatoon, the Saskatoon Housing Authority has more than 1,200 family housing units and only 12 of those are single-family homes. As new homes are built, the corporation will sell approximately 300 government-owned single-family housing units in these communities, adding 300 affordable homes to the communities, with expected proceeds of approximately $53 million.

Maintaining Affordable Housing

SHC also increases the availability and affordability of housing along the continuum by investing in existing housing stock, which is some of the most affordable housing in the province. Preserving existing housing allows people to stay in their own homes and benefits the local economy.

Saskatchewan Home Repair Program

The redesigned Saskatchewan Home Repair Program was launched in 2012, reflecting Saskatchewan's current housing environment and unique housing needs. The redesigned program has higher assistance levels, increased eligibility, and shorter loan forgiveness periods.

This program assists low- to moderate-income homeowners, and rental property owners housing low-income tenants, to repair or adapt their dwellings. These programs, which are funded in partnership with the Federal Government, help to ensure that units meet minimum health and safety standards, building codes, and accessibility requirements. Rental property owners who receive funding must rent to low-income households and charge an affordable rent.

In 2012, SHC issued 592 commitments to fund repairs and renovations.

Rehabilitation to Government-Subsidized Housing Stock

There are about 24,200 government-subsidized rental units across the province, providing low-cost rental housing for eligible individuals and families. Most of this portfolio was constructed over 30 years ago.

SHC invests approximately $40 million annually to improve and renew government-subsidized rental housing units through modernization, improvements, and regular maintenance. This funding level, however, does not address all required life-cycle improvements, making additional investments vital in order to maintain the stock through the replacement of aging components such as roofs, windows, siding, mechanical equipment, and elevators.

In partnership with the Federal Government, the Government of Saskatchewan invested an additional $114.76 million to improve the existing government-subsidized housing portfolio in Saskatchewan. All $114.76 million of the work was completed by March 31, 2012, with improvements to over 605 projects in 206 communities across the province. This reinvestment not only ensured the housing stock remains viable for current and future tenants, but also provided a boost to Saskatchewan's economy.

The $114.76 million in additional improvement funding was from the following sources:

- Cost-matched funding of $102.16 million under the 2009 Canada's Economic Action Plan (CEAP). This funding was dedicated to stimulate the economy and improve existing affordable housing units developed before 1993. Renovation activities include general improvements, energy efficiency upgrades or conversions, and supports for persons with disabilities.
- Federal funding of $12.6 million under the 2007 Aboriginal Housing Trust and the Affordable Housing Trust. This funding was to improve the existing housing stock owned by Métis and other not-for-profit housing organizations.

Supporting and Partnering in Homelessness Initiatives

SHC supports the Federal Government's Homelessness Partnering Strategy (HPS) to alleviate homelessness across Saskatchewan by providing strategic advice for this initiative, support for project development, and participation in a number of housing projects that address homelessness.

Renovations at Milton Heights in Regina were completed in 2012. Milton Heights has 135 units and many are home to people who would otherwise be homeless or at risk of homelessness. Various services come to the site to provide these tenants with the supports they may need to remain housed. SHC contributed $15.5 million towards the total project cost of $18.9 million.

Opened in 2012, the Lighthouse Supported Living's tower project in Saskatoon is a partnership between the Province, Lighthouse and the City of Saskatoon. The project provided 58 new, fully independent, studio transitional units in addition to the project's existing 64 supported living units. The Lighthouse Supported Living Inc. is a non-profit organization providing both transitional and long-term housing for the homeless and vulnerable low-income individuals of Saskatoon. The tower project provides independent living opportunities and access to support for clients transitioning from supported living units. The project serves low-income working people, students, people who lived in the existing building and no longer require ongoing support, people with disabilities or mental illness who are able to live on their own, and people recovering from addictions who still require some support to be successful in their recovery. SHC contributed approximately $12.9 million toward the total project cost of more than $17 million, with the balance provided by Lighthouse and the City of Saskatoon.

Cost-shared with the Federal Government, the Shelter Enhancement Program (SEP) provides financial assistance to construct new or renovate existing emergency shelters and second-stage housing units available for victims of family violence. In 2012, SEP funding was committed for the renovation of seven beds and the addition of one new, accessible unit in an existing shelter in Regina.

Enhancing Strategic Planning for Housing

Collaborating, Communicating and Educating

SHC will continue to work with stakeholders across the province to support *A Strong Foundation - The Housing Strategy for Saskatchewan.* Communication across geographic areas and between members of the housing sector is important to prevent inefficiencies and lost opportunities. The housing sector needs to work together, share information effectively, and communicate well with the public.

The Importance of Partnerships

In developing *A Strong Foundation - The Housing Strategy for Saskatchewan*, SHC consulted with community stakeholders across Saskatchewan and provided other opportunities for communication, collaboration and education on housing in 2011 and again in 2012. Plans are underway for this effort to continue in 2013, including plans for a housing conference in the North.

SHC, in partnership with the Canadian Homebuilders' Association – Saskatchewan, the Association of Saskatchewan Realtors, the Regina & Region Homebuilders' Association, the Canada Mortgage and Housing Corporation, the Saskatchewan Association of Rural Municipalities, the Saskatchewan Urban Municipalities Association, the Ministry of Government Relations, and the Ministry of Advanced Education, Employment and Immigration, hosted the second Housing and Development Summit from April 24 to April 25, 2012 in Regina. About 200 stakeholders participated from across the housing sector. The focus of the conference was planning for growth in Saskatchewan and the need to ensure that housing is affordable and accessible for all Saskatchewan citizens. Participants shared information on planning for housing and taking plans into action.

Inventory of Government Programs and Initiatives Impacting Housing Affordability

The Provincial Action Plan 2011-12 identified a need for an inventory of Government programs and initiatives that impact housing affordability. The inventory, *Supporting a Strong Foundation: A Guidebook to Housing Programs in Saskatchewan*, highlights the continuum of programs and services that ensure safe and affordable housing for all residents of Saskatchewan. It also provides useful information to the public. Consultations were held with key stakeholders and clients about the design, content, and distribution of the inventory, which was released at the Housing and Development Summit in April 2012 and is available online at http://www.socialservices.gov.sk.ca/2012Housing-Guidebook.pdf.

Small Communities Rental Market Survey

The Small Communities Rental Market Survey is intended to ensure communities have better information to plan for housing and to ensure that the Ministry of Social Services can adjust shelter rates in a responsive manner. The survey provides information that would not otherwise be available, identifying the rental and vacancy rates of rental housing in communities of less than 10,000 people. This survey takes place annually as committed to in the *Provincial Action Plan 2011-12*.

Improving Client Outcomes

On September 6, 2011, SHC and Canada Mortgage and Housing Corporation (CMHC) signed the bi-lateral agreement, the *Investment in Affordable Housing 2011-2014 (IAH) Agreement*. Under the Agreement, the Provincial and Federal Government each contribute $9.19 million annually, which equates to an investment of $55.14 million in the housing sector over three years. IAH provides much greater flexibility than past agreements, allowing for more creativity and collaboration on a range of housing supports. Over the three-year period of the Agreement, SHC will fund numerous programs including affordable rental development, repair programs, secondary suite development, conversions, and shelter enhancements.

In 2011-12, almost $11 million of the $18.4 million went towards development of new affordable family-focused housing. The remaining funding was used for repairs and adaptations to existing private homeownership and rental housing.

Management's Discussion and Analysis

Growth, Security and Promises

While contributing to growth and security for Saskatchewan, the Saskatchewan Housing Corporation (SHC) must effectively manage the demand for financial resources to address pressures. Some pressures impacting SHC include:

- declining federal funding for ongoing operations;
- growing demand for housing due to population growth and migration;
- housing affordability;
- limited funds available in funding pools for new construction; and
- the Investment in Affordable Housing agreement entering its final year.

To address these issues, and mitigate their potential for negative influence on the Corporation's financial outlook, SHC develops long-term financial forecasts that test the sensitivity of the organization to changing economic conditions. These financial forecasts are combined with forecast information on SHC program demand and short-term and long-term housing needs in communities. These forecasts guide management in resource allocation strategies. SHC will continue to deliver upon previous announcements for new housing units and repair grants, as well as continue to support some 30,000 rental units in Saskatchewan. In 2012, SHC had over 1,208 new rental units in various stages of construction.

2012 – Major Developments

The Saskatchewan economy continues to experience strong economic and population growth. The Province is projecting that the population will grow to 1.2 million people by 2020. This growth will bring increased demand for housing, resulting in increased pressure on housing supply and affordability. In response to these challenges, the Provincial Government announced, in the Saskatchewan Advantage Housing Plan, the investment of $344 million to add 12, 600 new housing units by 2016.

Saskatchewan has seen a significant increase in the price of homes and rent as a result of the positive economic growth. Housing and primary rental starts have risen dramatically. Housing starts were greater in 2012 than in 2009 to 2012 combined. Primary rental starts saw more in 2012 than in 2002 to 2009 combined. Vacancy rates have improved in five of nine large communities. The housing sector is seeing a shift toward greater density in new urban housing development. For example, Crown Investment Corporation's Headstart on a Home program has seen over 700 entry level homeowner units in multiple communities, virtually all medium density or greater, and an increased interest in secondary suites. These changes are also more in line with what is happening with new rental and home ownership development (e.g. condos). Demographic changes will continue to affect SHC's operations, such as increased immigration from elsewhere in Canada and outside our borders, rural to urban migration, aging population, and growth of "hard-to-house" populations.

During 2012, rents and other income saw a moderate increase. This is attributable to a rent increase in the affordable housing portfolio as well as higher incomes in the social housing portfolio resulting in higher rents. However, the increase in revenues is not enough to cover expanding operating and maintenance and rejuvenation expenses in the aging rental housing portfolios. As well, rent revenues from Social Housing are expected to decrease due to improved targeting to lower-income households.

In response to increased demand for housing, the Provincial Government announced a number of programs in 2011 to encourage the development of more housing. The programs to date have been very successful and are supporting the creation of more housing of all types across the province. The Rental Construction Incentive Program is designed to assist municipalities with their rental development incentive programs. The response to this program was very favourable. In response to the demand for this program, the Province increased funding, bringing the total to $18.7 million over the five-year period. This program is expected to increase the supply of new rental units by almost 4,100 units over five years. In addition, the Summit Action Fund was announced in the spring of 2011 to encourage innovative development ideas. To date, this program has resulted in the development of 439 new units. The secondary suites

program was redesigned and the changes were implemented in 2012 to encourage greater take-up of the program. The Rental Development Program was extended for three more years to develop affordable rental housing for low- to modest-income households. These initiatives contributed to a significant increase in rental housing activity across the province since 2011 with the average for the two year period being approximately 1,000 rental housing units being started compared to the 10-year average of 160 rental housing starts.

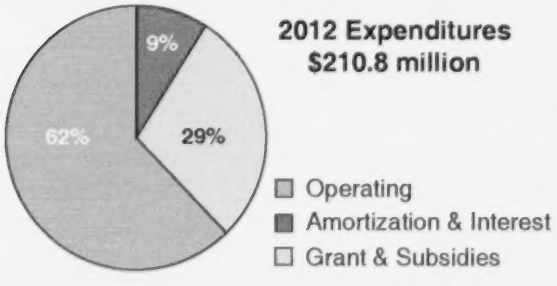
On the home ownership side, the Affordable Home Ownership Program was also announced in March 2011 and will assist in the development of 800 entry level housing units over five years. In addition, SHC continues its partnership with Habitat for Humanity.

The Investment in Affordable Housing Agreement signed by the Province in 2011 will add approximately 169 new units over the agreement period and will also see repairs to approximately 1,000 units for homeowners and landlords. The agreement establishes the approach that will guide bilateral arrangements for the affordable and renovation housing funding envelope of federal housing funds for the period 2011 – 2014. CMHC's funding will be cost matched by the Province. SHC has until March 31, 2015 to complete all the funding requirements.

2012 – Results of Operations

Expenditures

Saskatchewan Housing Corporation expenditures for 2012 were $210.8 million, a decrease of $54.0 million or 20.4% (2011 - $264.8 million).



Costs of operating the rental housing portfolio (excluding amortization) declined to $130.9 million, a decrease of $30.9 million (2011 - $161.8 million).

Major elements of operating costs for 2012 included:

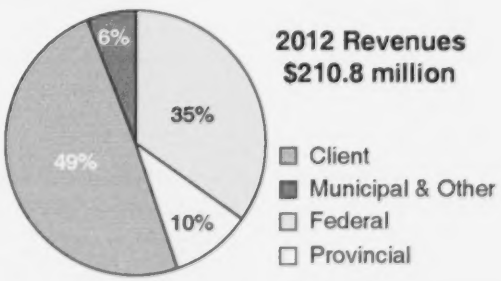
- Maintenance and renovation expenditures were $57.7 million in 2012 (2011 - $51.8 million). The increase is primarily due to refurbishing required for two properties;
- Economic stimulus expenditures in 2012 were $3.2 million (2011 - $41.6 million). The decrease is due to the completion of projects under the Affordable Housing Agreement. The agreement concluded on March 31, 2012;
- Utilities expenditures were $17.9 million (2011 - $18.4 million);
- Grants in lieu of property taxes were $13.6 million (2011 - $13.6 million); and
- Other operating expenditures were $38.5 million (2011 - $36.4 million).

Grants and subsidies expenditures decreased by $20.0 million to $61.1 million (2011 – $81.1 million). The decrease in expenditures is primarily due to project completions. Many of the Corporation's funding pools have been significantly reduced as projects funded are substantially completed. The difference was the result of:

- Grants under the affordable housing program decreased by $4.9 million to $27.3 million (2011 - $32.2 million);
- Grants under the Housing Trusts decreased by $7.2 million to $7.9 million (2011 - $15.1 million); and
- Grants under the Neighborhood Revitalization Initiative decreased by $5.6 million to $0.8 million (2011 - $6.4 million).

Revenues

Revenues for SHC were $210.8 million for 2012, a decrease of $54.0 million or 20.4% (2011 - $264.8 million).



Rents and other income from clients increased by $3.9 million in 2012 to $103.9 million (2011 - $100.0 million). This is a 3.9% increase and represents approximately 49% of SHC's total revenue. Other revenue items of note include:

- Federal contributions of $73.2 million (2011 - $93.5 million). The decrease was primarily due to the completion of projects under the Affordable Housing Agreement;
- Provincial contributions of $20.1 million (2011 - $63.5 million). The decrease was primarily due to the same as noted for Federal contributions; and
- Gains on disposals of properties, interest income, and other contributions, including municipal contributions, increased to $13.6 million (2011 - $7.9 million), primarily due to the sale of the South East land holdings.

Investment in Properties

At the end of 2012, SHC had $164.9 million of investments in properties, representing the unamortized book value of 18,300 owned rental units with a replacement value estimated to be $3.5 billion.

During the year, SHC completed $2.2 million of new properties and amortized $13.9 million of property costs.

Construction in progress at the end of 2012 was $1.6 million, $1.0 million less than the 2011 ending balance of $2.6 million. As these properties are completed, they will have federal and provincial funding allocated to fund the future amortization expense.

2012 Financial Position

Under the various federal agreements, SHC is able to defer to future years amounts received, but unexpended, in any given year. These Deferred Federal Contributions must be used for eligible program expenditures as specified in the agreements. During 2012, federal contributions received under the agreements were less than SHC's expenditures, resulting in a decrease in accumulated deferrals of $9.7 million to $136.4 million at December 31, 2012 (2011 - $146.1 million). Of the 2012 ending amount, $106.9 million is available for future expenditures (2011 - $113.7 million) and $29.5 million (2011 - $32.4 million) is to fund future amortization expense of capital assets.

Operating activities used $38.6 million cash in 2012. Capital activities, including investment in new properties, realized $7.0 million, investing and financing activities realized $0.3 million, resulting in a net decrease of $31.3 million in SHC's cash position for the year. The 2012 ending cash and cash equivalents position is $109.9 million (2011 - $141.2 million).

The $109.9 million of cash and cash equivalents is mostly related to SHC's various deferred revenue sources, which will be recognized as related expenditures occur. At the end of 2012, SHC has some $56.2 million in contractual obligations, not including ongoing subsidy assistance, associated with these deferred funds.

Saskatchewan Housing Corporation

Summary of Key Financial Operating Results 2009 – 2013 (thousands)

	2009	2010	2011	2012	2013 Plan
Rent, operating income and other contributions	$100,091	$101,661	$107,844	$117,499	$138,128
Recognized Provincial Contributions	39,333	46,845	63,499	20,145	21,326
Recognized Federal Contributions	80,899	85,032	93,491	73,171	60,403
Total Revenues	**$220,323**	**$233,538**	**$264,834**	**$210,815**	**$219,857**
Operating and other charges	$127,150	$145,806	$162,020	$130,885	$149,581
Grants and Subsidies	72,620	74,384	81,056	61,125	44,152
Amortization	15,819	14,967	14,974	13,872	14,526
Interest	4,734	4,747	5,284	4,933	4,698
Total Expenses	**$220,323**	**$239,904**	**$263,334**	**$ 210,815**	**$212,957**
Net Operations	**$ ---**	**($6,366)**	**$ 1,500**	**$ ---**	**$ 6,900**

2012 Financial Overview

Management's Responsibility for the Consolidated Financial Statements of Saskatchewan Housing Corporation

These consolidated financial statements have been prepared by management, which is responsible for the reliability, integrity and objectivity of the information provided. These are the Corporation's first consolidated financial statements prepared in accordance with Canadian public sector accounting standards. The Corporation has chosen to adopt the public sector accounting standards for government not-for-profit organizations.

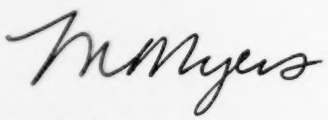
The preparation of financial statements necessarily involves the use of estimates, based on informed judgments by management and giving appropriate consideration to reasonable limits of materiality. In the opinion of management, the consolidated financial statements present fairly, in all material respects, the financial position, results of operations, changes in net assets and cash flows of Saskatchewan Housing Corporation. Financial information presented elsewhere in this annual report is consistent with the consolidated financial statements and the underlying information from which the financial statements were prepared.

Management is responsible for maintaining a comprehensive system of accounting records, internal controls, policies and management practices, designed to provide reasonable assurance that transactions are properly authorized and in compliance with legislation, assets are safeguarded, and reliable financial information is available on a timely basis.

The Corporation's Board of Directors, through the Audit and Finance Committee, is responsible for ensuring that management fulfills its responsibility for financial reporting and internal controls. The Audit and Finance Committee meets periodically with management and with the external auditors to discuss matters relating to financial reporting, internal control and audits. The Audit and Finance Committee also reviews the consolidated financial statements before recommending approval by the Board of Directors.

The consolidated financial statements have been approved by the Board of Directors and by Treasury Board, and have been examined by external auditors appointed by the Lieutenant Governor in Council. The responsibility of the external auditors is to report to the Members of the Legislative Assembly regarding the fairness of presentation of the Corporation's financial position, results of operations, changes in net assets and cash flows as shown in the consolidated financial statements. The Auditors' Report outlines the scope of their examination and expresses their opinion.

Don Allen
President
March 26, 2013



Miriam Myers
Chief Financial Officer

Independent Auditors' Report

To the Members of the Legislative Assembly, Province of Saskatchewan

We have audited the accompanying consolidated financial statements of Saskatchewan Housing Corporation, which comprise the consolidated statements of financial position as at December 31, 2012, December 31, 2011 and January 1, 2011, the consolidated statements of operations, changes in net assets and cash flows for the years ended December 31, 2012 and December 31, 2011, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Saskatchewan Housing Corporation as at December 31, 2012, December 31, 2011 and January 1, 2011 and its consolidated results of operations and its consolidated cash flows for the years ended December 31, 2012 and December 31, 2011 in accordance with Canadian public sector accounting standards.

KPMG LLP

Chartered Accountants
Regina, Saskatchewan
March 26, 2013

Saskatchewan Housing Corporation
Consolidated Statement of Financial Position

(thousands)

	Dec 31, 2012	Dec 31, 2011	Jan 1, 2011
Assets			
Investment in properties (note 5)	$ 164,886	$ 176,658	$ 188,418
Land inventory (note 6)	483	817	766
System development (note 7)	314	690	1,066
Loans receivable (note 8)	6,729	6,760	7,059
Accounts receivable	12,875	14,883	34,893
Debt retirement funds (notes 3 and 9)	26,286	24,967	21,934
Cash and cash equivalents (note 10)	109,930	141,191	142,815
	$ 321,503	**$ 365,966**	**$ 396,951**
Liabilities, Deferred Contributions and Net Assets			
Liabilities and Deferred Contributions:			
Long-term debt (note 11)	$ 58,483	$ 59,803	$ 60,987
Life interest agreements	12,358	12,143	11,944
Land profits holding account (note 12)	2,235	11,356	14,918
Accounts payable and accrued liabilities	18,565	28,382	21,463
Deferred federal contributions (note 13)	136,445	146,130	174,026
Deferred provincial contributions (note 14)	75,670	89,651	96,303
Other deferred contributions related to capital assets (note 15)	3,062	3,085	3,394
	$306,818	**$350,550**	**$ 383,035**
Net Assets:			
Internally restricted – risk reserve (note 16)	$ 5,601	$ 6,452	$ 13,330
Internally restricted – renovations commitments (note 16)	334	1,009	3,176
Unrestricted	8,750	7,955	(2,590)
	$ 14,685	**$ 15,416**	**$ 13,916**
	$321,503	**$ 365,966**	**$ 396,951**

Contingencies and contractual obligations (notes 25 and 26)

See accompanying notes to the consolidated financial statements.

On behalf of the Board:

Keith Hanson
Chair, Board of Directors

Pat Pitka
Director

Saskatchewan Housing Corporation
Consolidated Statement of Operations

For the year ended December 31

(thousands)	2012 Planned	2012 Actual	2011 Actual
Revenues:			
Rents and other income	$101,338	$103,894	$ 99,991
Interest income (note 18)	3,167	3,645	4,727
Land sales	---	---	334
Gain on disposal of undeveloped land (note 19)	---	7,464	---
Gain on disposal of properties (note 5(b))	150	1,315	1,123
Federal contributions:			
Social Housing Agreement (note 13)	64,950	57,442	56,793
Agreement for Investment in Affordable Housing 2011-2014 (note 13)	8,970	8,339	519
Other Agreements (note 13)	4,059	7,390	36,179
Provincial contributions:			
Operating	2,355	755	2,355
Neighbourhood Revitalization Initiative (note 14)	4,903	1,258	6,801
Housing Trusts (note 14)	9,541	8,025	15,058
Home Energy Improvement Program (note 14)	---	(2)	722
Other (note 14)	22,381	10,109	38,563
Other contributions	1,056	1,181	1,669
	$222,870	**$210,815**	**$264,834**
Expenses:			
Operating (note 20)	$134,220	$130,872	$161,785
Grants and subsidies (note 21)	67,456	61,125	81,056
Amortization of investment in properties	14,593	13,872	14,974
Interest expense (note 22)	5,101	4,933	5,284
Other charges	---	13	235
	$221,370	**$210,815**	**$263,334**
Net Operations	**$ 1,500**	**$ ---**	**$ 1,500**

See accompanying notes to the consolidated financial statements.

Saskatchewan Housing Corporation
Consolidated Statement of Changes in Net Assets

(thousands)

	Internally Restricted			
	Risk Reserve	Renovation Commitments	Unrestricted	Total Net Assets
Balance as at January 1, 2011	$13,330	$ 3,176	$(2,590)	$13,916
Net operations for the year ended December 31, 2011	- - -	- - -	1,500	1,500
Expenses for the year ended December 31, 2011	- - -	(3,176)	3,176	- - -
Transfers for the year ended December 31, 2011	(6,878)	1,009	5,869	- - -
Balance as at December 31, 2011	$ 6,452	$ 1,009	$ 7,955	$15,416
Change in measurement of debt retirement funds (note 3)	- - -	- - -	(731)	(731)
Balance as at January 1, 2012, as restated	$ 6,452	$ 1,009	$ 7,224	$14,685
Net operations for the year ended December 31, 2012	- - -	- - -	- - -	- - -
Expenses for the year ended December 31, 2012	- - -	(1,009)	1,009	- - -
Transfers for year ended December 31, 2012	(851)	334	517	- - -
Balance as at December 31, 2012	**$ 5,601**	**$ 334**	**$ 8,750**	**$14,685**

See accompanying notes to the consolidated financial statements.

Saskatchewan Housing Corporation
Consolidated Statement of Cash Flows

For the year ended December 31

(thousands)

Cash Provided By (Used In):	2012	2011
Operating Activities:		
Net operations	$ ---	$ 1,500
Items not affecting cash:		
Amortization of investment in properties	13,872	14,974
Amortization of system development costs	376	376
Other charges	70	436
Interest income earned on debt retirement funds	(1,532)	(1,768)
Change in fair value of debt retirement funds	---	(745)
Gain on disposal of undeveloped land	(7,464)	---
Gain on disposal of properties	(1,315)	(1,123)
Federal contributions related to capital assets recognized as revenue	(2,710)	(2,544)
Provincial contributions related to capital assets recognized as revenue	(917)	(736)
Other contributions related to capital assets recognized as revenue	(351)	(309)
Payments from land profits holding account	(9,180)	(4,000)
(Increase) decrease in non-cash working capital balances related to operations	(7,810)	26,988
Decrease in deferred federal contributions for expenses of future periods	(6,807)	(25,890)
Decrease in deferred provincial contributions for expenses of future periods	(15,024)	(9,278)
Deferral of interest income earned on provincial contributions	164	303
	$(38,628)	$ (1,816)
Capital Activities:		
Investment in properties	$ (2,120)	$ (3,237)
Investment in land	(29)	(105)
Proceeds from disposal of properties	1,345	1,123
Proceeds from disposal of undeveloped land	7,825	---
	$ 7,021	$ (2,219)
Investing Activities:		
Decrease in loans receivable	$ 15	$ 318
	$ 15	$ 318
Financing Activities:		
Repayment of long-term debt	$ (1,319)	$ (1,184)
Debt retirement fund installments	(520)	(520)
Life interest agreement proceeds net of refunds	215	199
Federal contributions allocated to capital assets	(169)	538
Provincial contributions designated for capital assets	1,796	3,060
Other contributions designated for capital assets	328	---
	$ 331	$ (2,093)
Net decrease in cash position	$(31,261)	$ (1,624)
Cash and cash equivalents, beginning of year	$ 141,191	$ 142,815
Cash and cash equivalents, end of year	$ 109,930	$ 141,191

See accompanying notes to the consolidated financial statements.

Saskatchewan Housing Corporation
Notes to Consolidated Financial Statements

December 31, 2012

Note 1: Status of the Corporation

The Saskatchewan Housing Corporation operates under the authority of *The Saskatchewan Housing Corporation Act*. Pursuant to section 36 of the *Act*, the Corporation receives contributions from the Government of Saskatchewan - General Revenue Fund.

The Corporation's general objectives are to undertake, facilitate, and promote measures which will contribute to the availability of adequate and suitable housing for all Saskatchewan residents, and in particular the provision of housing for senior citizens, families, the disabled and other groups or persons who require assistance. The Corporation also undertakes, facilitates and promotes measures to repair, rehabilitate and make improvements to housing.

The Corporation has been designated as a provincial Treasury Board Crown Corporation. Accordingly, its consolidated financial position, operating results and cash flows are included in the summary financial statements of the Government of Saskatchewan. As a Crown entity, the Corporation is not subject to federal income tax or provincial income and capital taxes.

Note 2: Basis of Preparation and Transition to Public Sector Accounting Standards

(thousands)

These consolidated financial statements have been prepared in accordance with Canadian public sector accounting (PSA) standards, issued by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants (CICA), including the PSA standards for government not-for-profit organizations set forth in PSA Handbook sections PS 4200 to PS 4270. As these are the Corporation's first consolidated financial statements prepared in accordance with PSA standards, Section PS 2125, *First-time Adoption by Government Organizations*, has been applied.

The Corporation's consolidated financial statements were previously prepared in accordance with Canadian generally accepted accounting principles (Canadian GAAP), as set forth in Part V of the CICA Handbook.

The accounting policies set out in Note 4 have been applied consistently in preparing the consolidated financial statements for the year ended December 31, 2012, the comparative information presented in these consolidated financial statements and the opening consolidated statement of financial position as at January 1, 2011 (the Corporation's date of transition to public sector accounting standards). While Canadian GAAP differs in some respects from PSA standards, there were no differences that affected the Corporation's consolidated financial statements.

In accordance with public sector accounting standards for *Financial Statement Presentation by Government Not-for-profit Organizations* (PSA Handbook Section PS 4200), the following items are classified as Capital Activities in the Consolidated Statement of Cash Flows; these items were classified as Investing Activities under Canadian GAAP.

	2012	2011
Investment in properties	$(2,120)	$(3,237)
Investment in land	(29)	(105)
Proceeds from disposal of properties	1,345	1,123
Proceeds from disposal of undeveloped land	7,825	- - -

There are no other differences between the consolidated statement of cash flows prepared under public sector accounting standards and the consolidated statement of cash flows prepared under Canadian GAAP.

December 31, 2012

Note 3: Adoption of Public Sector Accounting Standards for Financial Instrument

Effective January 1, 2012, the Corporation early adopted the public sector accounting standards for *Financial Instruments* (PSA Handbook Section PS 3450). Section PS 3450 establishes standards on how to account for and report all types of financial instruments, including derivatives. Section PS 3450 has been applied prospectively, in accordance with the transitional provisions of the Section.

Upon the adoption of Section PS 3450, the Corporation was required to assign its financial instruments to one of two measurement categories: fair value; or cost or amortized cost.

Cash and cash equivalents, accounts receivable and loans receivable are measured at cost. Accounts payable and accrued liabilities, the land profits holding account, life interest agreements and long-term debt are also measured at cost.

Debt retirement fund investments are measured at amortized cost, effective January 1, 2012. Prior to the adoption of Section PS 3450, debt retirement fund investments were measured at fair value. The cumulative difference of $731 between amortized cost and fair value as at January 1, 2012 has been charged against Unrestricted net assets. In accordance with the transitional provisions of Section PS 3450, comparative information in respect of Debt retirement funds as at December 31, 2011 and January 1, 2011, and Interest income for the year ended December 31, 2011, have not been restated.

The adoption of Section PS 3450 had no other effects on the recognition, measurement, presentation or disclosure of financial instruments reported in these consolidated financial statements.

Note 4: Significant Accounting Policies

Pursuant to standards established by the Public Sector Accounting Board, the Corporation is classified as a government not-for-profit organization. The consolidated financial statements are prepared in accordance with Canadian public sector accounting standards. The following accounting policies are considered significant:

Basis of consolidation

The consolidated financial statements include the accounts of Saskatchewan Housing Corporation and local or regional housing authorities throughout the Province, controlled by the Corporation.

Housing authorities are corporate bodies with no share capital, established by ministerial order pursuant to subsection 18 (1) of *The Saskatchewan Housing Corporation Act*. They provide community-based property management services and deliver programs on behalf of the Corporation. Housing authorities are controlled by the Corporation by virtue of the fact that the Minister-in-charge of the Corporation has the legislative authority to appoint the members of each housing authority. Also, subsection 18 (9) of *The Saskatchewan Housing Corporation Act* provides that housing authorities must comply with policies established by the Corporation.

Transactions and account balances between the Corporation and housing authorities have been eliminated in these consolidated financial statements.

Revenue recognition

The Corporation follows the deferral method of accounting for contributions.

Provincial operating contributions provided through the Ministry of Social Services are unrestricted in nature, subject only to the broad provisions of section 36 of *The Saskatchewan Housing Corporation Act*. Accordingly, these contributions are recognized as revenue in the year they are received or receivable.

Provincial contributions that are restricted for a specified purpose (note 14) are deferred and are recognized as revenue when the related expenses are incurred. As directed by Treasury Board, interest income earned on investment of certain deferred provincial contributions is restricted for use on related program expenses; the restricted interest income is deferred and is recognized as revenue when the expenses are incurred. Provincial contributions used for investments in properties are recognized as revenue on the same basis as the amortization of the related assets.

Note 4: Significant Accounting Policies, continued

Federal contributions provided by Canada Mortgage and Housing Corporation (CMHC) are restricted in accordance with provisions of federal-provincial agreements (note 13). Accordingly, federal contributions are recognized as revenue when the related expenses are incurred. For housing programs within the scope of the Social Housing Agreement, federal contributions are recognized as revenue after the application of provincial operating contributions. Federal contributions used for investments in properties and related capital assets are allocated to Deferred federal contributions - capital assets, and are recognized as revenue on the same basis as the amortization of the related assets.

Revenue from property operations is recognized at the time the accommodation has been provided and there is reasonable assurance regarding collectability of the amount due from the resident household. If there is significant uncertainty as to ultimate collection, revenue is recognized when cash is received.

Sales of undeveloped land are recorded at the earlier of receipt of total sale proceeds or the date by which all material conditions required of the Corporation as specified in the sales agreement have been satisfied, and effective control of the property has passed to the purchaser.

Grants and subsidies

Grants are recognized as an expense when an application for assistance has been approved and performance requirements have been met. Forgivable loans provided to homeowners, developers, landlords, co-operatives and non-profit housing sponsors are accounted for as grants. Amounts repaid by clients who do not satisfy loan forgiveness conditions are recorded as other income.

Subsidy assistance is provided to non-profit housing sponsors and co-operatives in accordance with operating agreements that set forth either a specified amount of assistance to be provided each year or the basis on which eligibility for assistance will be determined. For the latter type of operating agreements, subsidy assistance is recognized as an expense based on actual or estimated costs incurred by each housing sponsor in the year.

The Corporation has entered into agreements which provide for transfers of ownership of specified properties to non-profit housing sponsors, for no cash consideration. When such transfers of ownership occur, the fair value of the properties transferred is recorded as grants in kind.

Allocation of expenses

The fee for management services provided by the Ministry of Social Services (note 27) is allocated to operating expenses and to grant and subsidy programs based on the respective number of Ministry employees assigned to these functions. The Corporation applies this basis of allocation in a consistent manner each year.

Investment in properties

Investment in properties is carried at cost (which includes land, acquisition or construction, administrative and carrying costs), less accumulated amortization. The recorded cost of certain properties is net of amounts provided by CMHC and municipalities in consideration for an ownership interest in the properties.

The Corporation capitalizes costs that increase service potential by adding housing units to existing properties. Asset regeneration costs that result in replacement of housing units are also capitalized. Maintenance and renovation costs are expensed as incurred.

Amortization expense is recorded on a straight line basis over periods of up to forty years. On an ongoing basis, management reviews estimates of the useful life of properties, in the context of their respective service potential. These estimates are used to determine the periods over which the investment is amortized. Adjustments to amortization periods are accounted for on a prospective basis.

For properties whose service potential is impaired, due to a decline in the local demand for rental accommodation or other circumstances, the carrying amount is written down in proportion to the number of housing units for which vacancies are assessed by management as other than temporary in nature.

Note 4: Significant Accounting Policies, continued

Properties held for sale are recorded at the lower of the carrying amount and fair value net of selling costs. Amortization is not recorded while a property is classified as held for sale. A property is classified as held for sale at the time the property is available for immediate sale, management has committed to a plan to sell the property and is actively marketing the property for sale at a price that is reasonable in relation to the fair value of the asset, and a sale is probable and expected to be completed within a one-year period.

Land inventory

Land inventory is recorded at the lower of net realizable value and cost (which includes acquisition, development, administrative and carrying costs). Cost is measured based on specific identification of the costs attributable to particular land holdings.

Interest capitalization

Interest is capitalized on housing projects at rates established at individual project commitment dates, based on approximate market rates at the time.

System development

Software license acquisitions and related applications development costs are capitalized. System development costs are amortized on a straight line basis from the date the system is placed in use, over the estimated useful life of up to ten years.

Financial instruments – classification and measurement

The Corporation has classified its financial instruments into one of the following measurement categories: fair value; or cost or amortized cost. The classification of financial instruments is designated upon initial recognition.

Cash and cash equivalents are measured at cost. Debt retirement fund investments are measured at amortized cost. Interest income earned and realized gains or losses on debt retirement fund investments are included in interest income.

Accounts receivable and loans receivable are measured at cost. Loss provisions in respect of tenant accounts are netted against rents and other income. Loan impairment provisions are included in other charges.

Accounts payable and accrued liabilities, the land profits holding account, life interest agreements and long-term debt are measured at cost.

Loans receivable

Loans receivable are recorded at cost, less an allowance for loan impairment. Cost includes amounts advanced, accrued interest and other charges, less repayments and subsidies.

Debt retirement funds

Debt retirement funds consists of monies deposited into funds administered by the Saskatchewan Ministry of Finance, invested to provide funds for repayment of advances from the General Revenue Fund. Interest income on investments is recognized as revenue in the period it is earned.

Cash and cash equivalents

Cash and cash equivalents consists of cash on hand, balances with banks, and investments in money market instruments with a maturity of four months or less from the date of acquisition, net of outstanding cheques.

December 31, 2012

Note 4: Significant Accounting Policies, continued

Life interest agreements

The Corporation has received interest-free advances from the residents of certain seniors' housing projects in consideration for a life interest in a designated housing unit. Amounts received in respect of individual agreements are refundable to the residents or to their estate following termination of the life interest agreement, and are recorded as a liability of the Corporation.

Indemnities

Losses on indemnities (note 25) are provided for on the basis of an assessment of mortgage accounts that are in arrears, taking into consideration the fair value of the associated property net of selling costs.

Use of estimates

The preparation of financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses for the reporting period. Significant items subject to estimates include the carrying amount and amortization of investment in properties and underlying assessments of service potential, and the carrying amount of loans receivable and underlying estimates of the allowance for loan impairment. Due to the inherent uncertainty involved, actual results could differ from management's estimates.

Note 5: Investment in Properties

(thousands)

a) Carrying Amount

			2012	2011
	Cost	Accumulated Amortization	Carrying Amount	Carrying Amount
Wholly-owned housing projects	$265,701	$146,579	$119,122	$124,736
Housing investment	141,680	99,286	42,394	47,433
Construction in progress	1,599	- - -	1,599	2,599
Other properties	2,420	649	1,771	1,890
Held for sale	95	95	- - -	- - -
	$411,495	**$246,609**	**$164,886**	**$176,658**

The carrying amount of Investment in properties is dependent upon the continued receipt of contributions from CMHC and from the General Revenue Fund.

Housing investment represents the Corporation's ownership interest in housing projects constructed or acquired pursuant to partnership agreements. The Corporation's cost is net of amounts provided by CMHC and municipalities in consideration for an ownership interest in the housing projects.

The Corporation and CMHC have executed a Declaration of Trust by which the Corporation is trustee for CMHC's ownership interest in partnership and 100% CMHC-owned housing projects. CMHC's ownership interest will be earned by the Corporation over the remainder of each project's CMHC subsidy commitment period, in amounts which correspond to CMHC's annual amortization of the assets. Accordingly, no increase in Investment in properties was recorded by the Corporation.

December 31, 2012

Note 5: Investment in Properties, continued

b) Disposal of Properties

During 2012 the Corporation disposed of certain properties, comprised mostly of single-family homes and semi-detached housing units. Proceeds, net of CMHC's share and the municipal share where applicable, were $1,345 (2011 - $1,123). A gain on disposal of $1,315 (2011 - $1,123) was recognized.

The annual operating revenues and expenses in respect of the properties disposed of during 2012 are not material to the Corporation's consolidated operations.

Note 6: Land Inventory

(thousands)

			2012	2011
	Cost	Accumulated Write-downs	Carrying Amount	Carrying Amount
Developed and under development	$ 2,140	$ 1,864	$ 276	$ 465
Held for future development	764	764	- - -	352
Held for sale	12,328	12,121	207	- - -
	$ 15,232	**$ 14,749**	**$ 483**	**$ 817**

Note 7: System Development

(thousands)

System development is comprised of software licensing and applications development costs totalling $ 3,763 (2011 - $3,763), less accumulated amortization of $3,449 (2011 - $3,073). Amortization of $376 (2011 - $376) is included in other operating expenses.

December 31, 2012

Note 8: Loans Receivable

(thousands)

			2012	2011
	Amortized Cost	Allowance for Loan Impairment	Carrying Amount	Carrying Amount
Second mortgages	$ 5,226	$ 834	$ 4,392	$ 4,648
Other mortgages	2,347	10	2,337	2,112
Other loans	17	17	- - -	- - -
	$ 7,590	**$ 861**	**$ 6,729**	**$ 6,760**

Second mortgages mature at various dates from 2018 to 2021 and are repayable in full at the maturity date. Interest income recorded by the Corporation is comprised of accrued interest due from clients (charged at rates from 2.15% to 2.38%) plus a subsidy of 2.00%.

Other mortgages and loans are repayable in monthly instalments of principal and interest and mature at various dates to the year 2029. These loans earned interest income at rates from 3.00% to 7.20% (2011 - 3.00% to 7.20%) per annum.

For the year ended December 31, 2012, other charges as reported in the Consolidated Statement of Operations includes a provision for (reduction in) loan impairment of $60 (2011 - $(19)).

Note 9: Debt Retirement Funds

(thousands)

Under conditions attached to advances from the General Revenue Fund (note 11), the Corporation is required to pay annually into debt retirement funds held and invested by the Saskatchewan Ministry of Finance an amount at least equal to one per cent of the advances outstanding. Debt retirement funds are invested primarily in provincial government debt instruments, including Province of Saskatchewan debt instruments with a weighted average yield of 4.5% as at December 31, 2012 (2011 – 4.71%).

Debt retirement fund instalments totalling $520 are due in each of the five years from 2013 to 2017.

Note 10: Cash and Cash Equivalents

(thousands)

Cash and cash equivalents is comprised of investments in Canadian money market instruments of $106,529 (2011 - $133,981) and bank balances of $3,401 (2011 - $7,210). Cash equivalents earned interest at rates from 1.10% to 1.15% (2011 – 1.07% to 1.15%) per annum.

December 31, 2012

Note 11: Long-term Debt

(thousands)

		2012	2011
Advances repayable to General Revenue Fund:			
Year Payable	**Weighted Average Interest Rate (%)**		
2019	6.27	$ 31,106	$ 31,106
2020	6.48	20,898	20,898
		$ 52,004	$ 52,004
Mortgages payable to CMHC, secured by properties with a carrying amount of $5,580 (2011 - $6,371):			
due at various dates from January 1, 2015 to March 1, 2019, repayable in monthly instalments of $109 including interest at rates from 1.55% to 1.92%		5,789	---
due at various dates from April 1, 2016 to June 1, 2016, repayable in monthly instalments of $17 (2011 - $17) including interest at a rate of 1.46%		690	886
due at various dates from March 1, 2012 to September 1, 2012, repayable in monthly instalments of $121 including interest at rates from 5.52% to 6.24%		---	6,913
		$ 58,483	**$ 59,803**

In 2012, the Corporation renewed mortgages with CMHC totalling $6,344 for terms of 34 to 84 months.

Principal repayments due in each of the next five years are as follows:

2013	$ 1,415
2014	1,438
2015	1,299
2016	1,035
2017	705
Thereafter	52,591

Note 12: Land Profits Holding Account

Profits earned on residential land development projects are distributed in accordance with the terms of development agreements with the participating municipalities. These agreements specify that profits are to be transferred to a holding account for use in development of capital projects in the municipality as approved by the Corporation, including Social Housing or Affordable Housing projects. Interest is credited to the municipal share of the holding account balance at the average rate earned by the Corporation on investments in money market instruments.

December 31, 2012

Note 13: Deferred Federal Contributions

(thousands)

	2012	2011
Expenses of future periods	$ 106,941	$ 113,747
Capital assets	29,504	32,383
	$ 136,445	**$ 146,130**

Expenses of Future Periods

				2012	2011
	Social Housing Agreement	Agreement for Investment in Affordable Housing 2011-14	Other Agreements	Total	Total
Balance, beginning of year	$ 101,381	$ 4,161	$ 8,205	$ 113,747	$ 139,637
Contributions from CMHC	48,989	13,644	---	62,633	64,380
Refunds to CMHC	---	---	(357)	(357)	---
Interest credited	1,210	---	---	1,210	1,215
Contributions allocated to capital assets	489	---	(320)	169	(538)
Recognized as revenue	(55,183)	(8,339)	(6,939)	(70,461)	(90,947)
Balance, end of year	**$ 96,886**	**$ 9,466**	**$ 589**	**$ 106,941**	**$ 113,747**

The Social Housing Agreement took effect on January 1, 1997. Pursuant to the Agreement, CMHC will pay fixed annual contributions to the Corporation over the remainder of the CMHC subsidy commitment period for individual housing projects. A specified amount of the annual federal contributions must be applied toward housing programs which assist low income households, as defined in the Agreement. The portion of federal contributions that may be applied toward other housing programs within the scope of the Agreement is similarly specified. Interest is credited to Deferred federal contributions - expenses of future years in accordance with the Agreement. Unexpended federal contributions must be carried forward by the Corporation for use toward expenses of future periods. Such contributions must be fully used, in accordance with the Agreement, by the Funding Expiration Date of December 31, 2038.

The Agreement for Investment in Affordable Housing 2011-2014 provides for CMHC to make matching contributions to the Corporation of up to $27,570 for use toward provincial programs targeted to households in need, for commitments approved by March 31, 2014. Programs within the scope of the Agreement shall increase housing supply, improve housing affordability, improve and preserve the quality of the existing housing stock or extend the independent living capacity of seniors and persons with disabilities.

The primary objective of the Affordable Housing Program Agreement (included in "*Other Agreements*") was to increase the off-reserve supply of affordable housing in Saskatchewan. Supplementary Agreement No. 2 to the Affordable Housing Program Agreement provides for CMHC to make matching contributions to the Corporation for development of affordable rental housing projects. Eligible expenditures must be incurred by March 31, 2013. Supplementary Agreement No. 2 also established a plan for the use of federal Economic Stimulus funding. CMHC made matching contributions to the Corporation for renovation of properties within the scope of the Social Housing Agreement and for development of rental housing for low-income seniors and persons with disabilities.

Note 13: Deferred Federal Contributions, continued

The Housing Renovation Program Agreement (included in "*Other Agreements*") established a structure for cost-shared programs that provide assistance to homeowners and landlords, for repairs to and rehabilitation of properties occupied by low income households. CMHC contributes up to 75% of funding for eligible program costs, in respect of commitments approved by March 31, 2011. Eligible program costs must be incurred by March 31, 2013.

Capital Assets

	Social Housing Agreement	Affordable Housing Program Agreement	Other Agreements	2012 Total	2011 Total
Balance, beginning of year	$ 22,515	$ 9,683	$ 185	$ 32,383	$ 34,389
Contributions allocated	(489)	320	- - -	(169)	538
Recognized as revenue	(2,259)	(266)	(185)	(2,710)	(2,544)
Balance, end of year	**$ 19,767**	**$ 9,737**	**$ - - -**	**$ 29,504**	**$ 32,383**

The Corporation may allocate federal contributions to investments in properties and related capital assets owned by the Corporation. Deferred federal contributions related to capital assets represent the unrecognized amount used for that purpose. These contributions are recognized as revenue on the same basis as the amortization of the related assets.

Note 14: Deferred Provincial Contributions

(thousands)

	2012	2011
Neighbourhood Revitalization Initiative	$ 28,682	$ 29,777
Housing Trusts	8,214	16,239
Home Energy Improvement Program	1,801	1,799
Other	36,973	41,836
	$ 75,670	**$ 89,651**

December 31, 2012

Note 14: Deferred Provincial Contributions, continued

Neighbourhood Revitalization Initiative

			2012	2011
	Expenses of Future Periods	Capital Assets	Total	Total
Balance, beginning of year	$ 15,901	$ 13,876	$ 29,777	$ 36,284
Contributions allocated	(758)	758	---	---
Interest credited	163	---	163	294
Recognized as revenue	(826)	(432)	(1,258)	(6,801)
Balance, end of year	**$ 14,480**	**$ 14,202**	**$ 28,682**	**$ 29,777**

The Corporation has received certain provincial contributions that are to be used for neighbourhood revitalization initiatives. The contributions are recognized as revenue on the same basis as the related grant or subsidy expense or amortization of the related property, as applicable.

Housing Trusts

				2012	2011
	Affordable Housing Trust	Off-Reserve Aborigial Housing Trust	Capital Assets	Total	Total
Balance, beginning of year	$ 6,006	$ 7,693	$ 2,540	$ 16,239	$ 31,297
Contributions allocated	(1,538)	500	1,038	---	---
Recognized as revenue	(3,742)	(4,160)	(123)	(8,025)	(15,058)
Balance, end of year	**$ 726**	**$ 4,033**	**$ 3,455**	**$ 8,214**	**$ 16,239**

Monies allocated to the Government of Saskatchewan from federal housing trusts are to be used for initiatives that are consistent with the intent of certain conditions established by the federal government, as set forth in the Operating Principles for each trust. Affordable Housing Trust monies are to be used for capital investments, and are not to be used to support property operations or to provide ongoing subsidy assistance to housing sponsors. Off-Reserve Aboriginal Housing Trust monies are to be used for initiatives that directly support housing for Métis and First Nations persons living off-reserve. The contributions are recognized as revenue when related expenses are incurred.

Home Energy Improvement Program

	2012	2011
Balance, beginning of year	$ 1,799	$ 2,521
Reduction in (amount recognized as revenue)	2	(722)
Balance, end of year	**$ 1,801**	**$ 1,799**

December 31, 2012

Note 14: Deferred Provincial Contributions, continued

The Corporation has received certain provincial contributions for the specific purpose of providing grants to low-income and moderate-income households under the Saskatchewan Home Energy Improvement Program. The designation of provincial contributions for this purpose was approved by Cabinet. The contributions are recognized as revenue when related expenses are incurred.

Other

			2012	2011
	Expenses of Future Periods	Capital Assets	Total	Total
Balance, beginning of year	$ 29,700	$ 12,136	$ 41,836	$ 26,201
Contributions received or receivable	5,244	---	5,244	54,189
Interest credited	2	---	2	9
Recognized as revenue	(9,747)	(362)	(10,109)	(38,563)
Balance, end of year	**$ 25,199**	**$ 11,774**	**$ 36,973**	**$ 41,836**

Provincial contributions totalling $5,244 (2011 - $54,189) have been received or are receivable from the Ministry of Social Services, for the following specified purposes:

Rental Construction Incentive	$ 3,796
Affordable Home Ownership Program	1,098
Home acquisition and furnishings for a community based organization	350
	$ 5,244

These contributions, and similarly restricted contributions received from the Ministry of Social Services in 2011 and prior years, are recognized as revenue when related expenses are incurred.

Note 15: Other Deferred Contributions Related to Capital Assets

(thousands)

	2012	2011
Balance, beginning of year	$ 3,085	$ 3,394
Contributions received	328	---
Recognized as revenue	(351)	(309)
Balance, end of year	**$ 3,062**	**$ 3,085**

This balance relates to certain properties transferred to the Corporation, as well as contributions provided by Saskatchewan government ministries and municipalities for the construction or acquisition of housing by the Corporation. These contributions are recognized as revenue on the same basis as the amortization of the related properties.

December 31, 2012

Note 16: Internally Restricted Net Assets

(thousands)

Risk Reserve

The Corporation has established a Risk Reserve, to mitigate operating risks associated with the Corporation's financial responsibility for housing programs transferred from CMHC pursuant to the Social Housing Agreement. The Corporation's board of directors has approved annual transfers from the Risk Reserve to Unrestricted net assets, to be determined based on the reduction in the aggregate balance of CMHC mortgages outstanding (note 25). For the year ended December 31, 2012, $851 (2011 - $636) was transferred from the Risk Reserve to Unrestricted net assets.

Renovation Commitments

The Corporation and housing authorities controlled by the Corporation enter into contracts for renovation of properties. An internal restriction of net assets has been made to reflect outstanding commitments under renovation contracts as of December 31, 2012. As expenses are incurred they are charged to operations, with a corresponding reduction to the appropriated amount.

Note 17: Financial Instruments and Risk Management

(thousands)

The Corporation, through its financial assets and liabilities, is exposed to various risks. The following analysis explains the nature and extent of the Corporation's exposures to credit risk, interest rate risk, other price risk and liquidity risk, and how the Corporation manages those risks.

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Corporation is exposed to credit risk through its investments in Canadian money market instruments (which are accounted for as cash equivalents) and its debt retirement fund investments, and through its accounts receivable and loans receivable. The maximum exposure to credit risk, as represented by the carrying amounts of the Corporation's financial assets, is as follows:

	December 31, 2012	December 31, 2011
Cash and cash equivalents	$109,930	$141,191
Debt retirement funds	26,286	24,967
Accounts receivable	12,875	14,883
Loans receivable	6,729	6,760

Investments in money market instruments are purchased through the Saskatchewan Ministry of Finance. The Corporation's policy is to invest only in instruments which secure the preservation of capital and sufficient liquidity to meet short-term financial obligations as they come due. Credit risk is minimized by transacting with institutions that have strong credit ratings.

Debt retirement funds are on deposit with the General Revenue Fund, and are invested as the Saskatchewan Ministry of Finance may determine. As at December 31, 2012, the funds are invested primarily in provincial government debt instruments with varying maturities. Credit risk associated with these investments is considered to be low.

Note 17: Financial Instruments and Risk Management, continued

Accounts receivable consist primarily of amounts due from the Ministry of Social Services, CMHC and municipalities, federal Goods and Services Tax rebates, accrued interest income and amounts due from non-profit housing sponsors, which in aggregate represent 98% (2011 - 81%) of balances outstanding. The carrying amount of these and other accounts receivable, excluding tenant accounts, is $12,603 as at December 31, 2012 (2011 - $14,500). Credit risk on these accounts is considered to be low, and management does not consider the amounts outstanding to be past due.

Tenant accounts are managed by housing authorities. Credit risk arises from the possibility that tenants might be unable to fulfill their lease commitments. Housing authorities mitigate this risk by conducting rental reference checks prior to tenant placement, through well defined procedures for addressing rent arrears, and by limiting the exposure to credit loss for any one tenant.

The carrying amount of tenant accounts receivable is $272 as at December 31, 2012 (2011 - $283). This amount is comprised of rent arrears in respect of current tenants totalling $166 (2011 - $188) and former tenants totalling $777 (2011 - $696), less an allowance for doubtful accounts of $671 (2011 - $601).

The allowance for doubtful accounts is determined based on a review of account balances in respect of former tenants. Rent arrears in respect of current tenants are not considered to be impaired, as there is an ongoing client relationship. Account balances in respect of former tenants are written off once it is determined that all reasonable collection efforts have been exhausted, and the Corporation's management has approved a write-off. Changes in the allowance for doubtful accounts are as follows:

	2012	2011
Balance, beginning of year	$ 601	$ 531
Accounts written off	(523)	(469)
Recoveries	51	49
Provision for bad debts	542	490
Balance, end of year	**$ 671**	**$ 601**

Credit risk also arises from the possibility that borrowers might default on their contractual loan obligations. Credit exposure on loans receivable is managed through appropriate account administration.

For second mortgages, the allowance for loan impairment represents a general provision for potential future credit losses. For other mortgages and loans, the allowance for impairment is determined on the basis of a review of individual clients' payment records. Generally, management considers an account to be impaired if there is no longer reasonable assurance of timely collection of the full amount of principal and interest. Management also takes into consideration the estimated realizable value of mortgage security where applicable. Changes in the allowance for loan impairment are as follows:

	2012	2011
Balance, beginning of year	$ 843	$ 862
Accounts written off	(42)	- - -
Provision for (reduction in) impairment	60	(19)
Balance, end of year	**$ 861**	**$ 843**

Credit risk associated with the obligation to indemnify CMHC against losses on certain loans is described at Note 25, Contingencies.

December 31, 2012

Note 17: Financial Instruments and Risk Management, continued

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Corporation is exposed to interest rate risk on the maturity of its loans receivable, debt retirement fund investments and cash equivalents, and on the maturity of its long-term debt.

The Corporation manages interest rate risk on long-term debt by obtaining long-term advances from the General Revenue Fund at fixed interest rates, and by renewing mortgage financing with CMHC at fixed interest rates for the maximum available term. Because long-term debt is comprised entirely of instruments with fixed interest rates, the Corporation has not provided a sensitivity analysis to show the effect of interest rate changes on operating results.

As at December 31, 2012, the Corporation had no financial contracts in place to offset interest rate risk.

Management believes that reasonably possible changes in interest rates over the next year would not result in a material change in the fair value of debt retirement fund investments; therefore the Corporation has not provided a sensitivity analysis to show the effect of such interest rate changes on operating results.

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk), whether those changes are caused by factors specific to the particular financial instrument or its issuer or factors affecting all similar financial instruments traded in the market. The Corporation is exposed to other price risk through its debt retirement fund investments.

Liquidity risk

Liquidity risk is the risk that the Corporation will encounter difficulty in meeting financial obligations as they fall due. To manage liquidity risk, the Corporation maintains adequate cash balances and invests in money market instruments with a maturity of four months or less from the date of acquisition. The instruments are readily convertible to known amounts of cash. Also, the Corporation has established a line of credit facility with the General Revenue Fund, which allows the Corporation to access up to $45,000 on a revolving basis. The Corporation did not draw on this line of credit facility in 2012 or in 2011.

A maturity analysis of the Corporation's financial liabilities as at December 31, 2012 is as follows. The contractual cash flows reported are undiscounted and include interest payments and finance charges.

		Contractual Cash Flows				
	Carrying Amount	Total	2013	2014	2015 to 2017	2018 and thereafter
Advances repayable to General Revenue Fund	$ 52,004	$ 75,438	$ 3,824	$ 3,824	$ 11,472	$ 56,318
Mortgages payable to CMHC	6,479	6,681	1,512	1,512	3,504	153
Subtotals for long-term debt	$ 58,483	$ 82,119	$ 5,336	$ 5,336	$ 14,976	$ 56,471
Life interest agreements	12,358	12,358	12,358	- - -	- - -	- - -
Land profits holding account	2,235	2,235	2,235	- - -	- - -	- - -
Accounts payable and accrued liabilities	18,565	18,773	17,586	112	955	120
	$ 91,641	**$115,485**	**$ 37,515**	**$ 5,448**	**$ 15,931**	**$ 56,591**

December 31, 2012

Note 18: Interest Income

(thousands)

	2012	2011
Interest income earned on debt retirement funds	$ 1,532	$ 1,768
Change in fair value of debt retirement funds (note 3)	- - -	745
Interest income earned on other investments	1,444	2,087
Interest income earned on loans receivable	834	430
Less amounts deferred:		
Neighbourhood Revitalization Initiative	(163)	(294)
Other	(2)	(9)
	$ 3,645	**$ 4,727**

Note 19: Gain on Disposal of Undeveloped Land

(thousands)

In 2012, the Corporation disposed of an interest in undeveloped land for proceeds of $7,825. As directed by Treasury Board, the gain on disposal of $7,464 that was recognized was used to satisfy provincial cost-matching obligations under the Agreement for Investment in Affordable Housing 2011-2014.

Note 20: Operating Expenses

(thousands)

	2012	2011
Maintenance and renovation	$ 60,869	$ 93,426
Utilities	17,900	18,423
Grants in lieu of property taxes	13,612	13,558
Other operating	38,491	36,378
	$130,872	**$161,785**

Other operating expense includes charges totalling $4,207 (2011 - $4,188) in respect of management services provided to the Corporation by the Ministry of Social Services.

December 31, 2012

Note 21: Grants and Subsidies

(thousands)

	2012	2011
Affordable Housing Programs	$ 27,328	$ 32,207
Neighbourhood Revitalization Initiative	826	6,413
Housing Trusts	7,902	15,055
Housing Renovation Program Agreement	2,461	5,917
Rental Construction Incentive	1,391	1,760
Affordable Home Ownership Program	175	234
Housing Summit Action Fund	1,305	22
Subsidy assistance - Non-profit housing	13,071	13,053
Subsidy assistance - Co-operative housing	2,237	2,105
Home Energy Improvement Program	(2)	722
Other grants and subsidies	4,431	3,568
	$ 61,125	**$ 81,056**

Subsidy assistance is provided to non-profit housing sponsors and co-operatives in accordance with operating agreements that set forth either a specified amount of assistance to be provided each year or the basis on which eligibility for assistance will be determined. These agreements expire at various dates to the year 2029 (note 26(d)).

Subsidy assistance - Non-profit housing includes assistance of $2,124 (2011 - $2,032) provided to Regional Health Authorities, in respect of certain nursing home facilities.

Grants pursuant to Affordable Housing Programs include assistance of $129 (2011 - $1,211) provided to North West Regional College.

Grants and subsidies expense includes charges totalling $1,839 (2011 - $3,481) in respect of management services provided to the Corporation by the Ministry of Social Services.

Note 22: Interest Expense

(thousands)

	2012	2011
Interest incurred	$ 4,938	$ 5,290
Less: Interest capitalized	(5)	(6)
	$ 4,933	**$ 5,284**

Interest incurred is comprised of $3,698 (2011 - $3,963) paid during the year, $1,210 (2011 - $1,215) credited to Deferred federal contributions and $59 (2011 - $123) credited to the land profits holding account, less a reduction in accruals of $29 (2011 - $11).

Interest incurred includes $3,304 (2011 - $3,304) on advances repayable to the General Revenue Fund. Accrued interest payable to the General Revenue Fund at December 31, 2012 totalled $774 (2011 - $774).

Saskatchewan Housing Corporation
Notes to Consolidated Financial Statements

December 31, 2012

Note 23: Expenses by Object

(thousands)

	2012	2011
Salaries and benefits	$ 20,856	$ 19,346
Purchased goods and services	109,640	142,063
Grants and subsidies	61,125	81,056
Amortization	14,248	15,350
Interest expense	4,933	5,284
Other	13	235
	$210,815	**$263,334**

Note 24: Pension Plan

(thousands)

Housing authorities and eligible employees participate in the Capital Pension Plan, a multi-employer defined contribution pension plan sponsored by the Crown Investments Corporation of Saskatchewan. The housing authorities' financial obligation is limited to providing contributions to the Plan at a specified rate in respect of employees' current service. For the year ended December 31, 2012, employer contributions of $1,131 (2011 - $1,041) are included in Other operating expense (Note 20).

Note 25: Contingencies

(thousands)

Pursuant to the Social Housing Agreement, the Corporation assumed responsibility for administration of a portfolio of mortgage loans provided by CMHC to third party housing sponsors, including accounts added to the portfolio since the Agreement took effect on January 1, 1997. The Agreement states that the Corporation shall indemnify CMHC against all losses and expenses arising from defaults by borrowers. As at December 31, 2012, mortgages with an aggregate balance of $126,180 (2011 - $137,797) were outstanding. The mortgages are being amortized through monthly payments and mature at various dates to the year 2030.

The portfolio includes 104 (2011 - 111) mortgages, totalling $53,353 (2011 - $58,251), provided to non-profit and co-operative housing sponsors who receive ongoing subsidy assistance from the Corporation that is presently sufficient to enable mortgage payments to be made when due. The portfolio also includes 185 (2011 - 192) mortgages, totalling $72,827 (2011 - $79,546), provided to sponsors of nursing home or group home facilities who receive funding for operations from the Ministry of Health or the Ministry of Social Services, respectively.

The Corporation has established a Risk Reserve (note 16) to fund losses incurred on the portfolio of CMHC mortgages. As at December 31, 2012, none of the mortgages administered on behalf of CMHC were in default, and accordingly no liability is recorded in respect of the Corporation's obligation to indemnify CMHC.

December 31, 2012

Note 26: Contractual Obligations

(thousands)

The Corporation has the following contractual obligations as at December 31, 2012:

(a) Construction costs of $1,376

(b) Renovation costs of $334

(c) Rental obligations in respect of operating leases for office space and maintenance facilities for the next five years as follows:

2013	$ 665
2014	610
2015	566
2016	388
2017	243

(d) Grants and subsidies:

The Corporation has approved commitments under various programs for grants or ongoing subsidy assistance to homeowners, developers, landlords, co-operatives, non-profit housing sponsors and related parties. As at December 31, 2012, commitments for grants for which performance requirements have not been met totalled $54,501. The estimated cost of ongoing subsidy assistance for the next five years is as follows:

2013	$14,900
2014	14,400
2015	14,200
2016	14,100
2017	14,000

Ongoing subsidy assistance obligations include amounts to be provided to Regional Health Authorities as follows:

2013	$ 2,051
2014	2,051
2015	2,042
2016	2,036
2017	1,987

Uncertainty regarding future interest rates and other economic factors precludes reasonable estimation of the Corporation's obligations for ongoing assistance beyond a five-year period.

December 31, 2012

Note 27: Related Party Transactions

(thousands)

Included in these consolidated financial statements are transactions with various Saskatchewan Crown corporations, ministries, and agencies related to the Corporation by virtue of common control by the Government of Saskatchewan, collectively referred to as "related parties".

Transactions with related parties in the normal course of operations are settled at the prevailing prices charged by these organizations, under normal trade terms. These transactions are not significant to the Corporation's consolidated operations or financial position except as described below.

	2012	2011
Expenses:		
Services provided by Saskatchewan Power Corporation ("SaskPower")	$ 6,149	$ 6,038
Services provided by SaskEnergy Incorporated ("SaskEnergy")	5,308	5,974
Services provided by Ministry of Social Services	6,046	7,669
Services provided by Information Technology Office	1,366	1,347
Investment in properties, for the year ended December 31:		
Services provided by SaskPower	$ 12	$ 26
Accounts payable and accrued liabilities, as at December 31:		
SaskPower	$ 317	$ 591
SaskEnergy	474	547
Information Technology Office	17	60

The Ministry of Social Services provides management services to the Corporation. Charges are recorded for administration of housing operations and other programs within the scope of the Social Housing Agreement, for delivery of programs within the scope of other agreements between the Corporation and CMHC, and for delivery of programs funded from provincial contributions. Amounts charged to the Corporation do not exceed related costs incurred.

Accounts receivable as at December 31, 2012 includes $4,465 (2011 - nil) due from the Ministry of Social Services, in respect of operating and other contributions.

Accounts payable and accrued liabilities as at December 31, 2012 includes $607 (2011 - $552) received from Saskatchewan government ministries and agencies, restricted for use on renovations to certain Staff Housing units.

Other transactions with and amounts due to related parties are described separately in these consolidated financial statements and the notes thereto.

Note 28: Comparative Information

Certain 2011 financial information has been reclassified to conform with the current year's presentation.

Corporate Governance

Board Responsibilities

The Board is responsible for establishing a strategic direction for the Corporation within the context of Government priorities and directions and monitoring results towards those ends.

The Board does not become involved in day-to-day management, but entrusts operational decisions to senior management. Senior management is held accountable for the Corporation's performance.

Board Composition and Compensation

As of December 31, 2012, the Board consisted of eight members with diverse experience and expertise, representing a broad spectrum of housing industry stakeholders.

As a Treasury Board Crown Corporation, remuneration for the Board is established by Treasury Board Policy. Board members receive per diems for meetings attended. Travel and sustenance reimbursement for Board business is at prevailing Saskatchewan rates.

Committees

The Board has established the following committees to address specific areas of Board responsibility. These committees are essential mechanisms in ensuring that the business of the Corporation is conducted in a timely and appropriate manner.

Audit and Finance Committee

The Audit and Finance Committee assists the Board in ensuring the Corporation meets legal, reporting, and accountability requirements set out in relevant legislation; financial integrity and transparency; adequate and effective management of information systems and sufficient risk management. The committee also assists the Board with other matters related to the Corporation's accounting policies, reporting practices, and internal controls.

Governance Committee

The Governance Committee provides leadership to the Board in relation to all governance processes, policies, and principles of the Corporation; along with undertaking other duties upon request to assist the Board in delivering governance practices.

Standing Left to Right:
Colleen Mah, Bob Linner, Pat Pitka, Bob Jeanneau;
Seated Left to Right:
Patti Durand, Keith Hanson, Allan Morin
Missing: Ken Acton

Board of Directors

Keith Hanson (Chair) – Mr. Hanson, a Professional Engineer, has been involved in the housing industry for over 30 years, and has always had a passion for the development and provision of appropriate, efficient and financially sustainable housing. He is currently President and CEO of Sun Ridge Residential Inc., a Saskatchewan-based company specializing in housing systems, energy and environmental efficiency, housing affordability and quality assurance.

Bob Linner (Vice-Chair) – Mr Linner served in a leadership capacity in municipal government in Regina and Prince Albert for 39 years as a city planner and administrator retiring in 2006 after 19 years as Regina City Manager. He is one of only seven Honorary Life Members of the Canadian Association of Municipal Administrators, recipient of The Lieutenant Governor's Gold Medal for Excellence in Public Administration, the Saskatchewan Centennial Medal and most recently the Queen Elizabeth II Diamond Jubilee Medal. He currently serves on seven other Boards including Regina Habitat for Humanity.

Patti Durand (Director) – Patti Durand has been active in the Humboldt area business community for over 15 years. Her farm roots and university training in agriculture provided the foundation as she became engaged in entrepreneurial pursuits. Patti's primary focus is Prairie View Properties — a country residential acreage development, located just outside her home city. Patti's passion about her community is demonstrated as she volunteers in numerous capacities, being named Humboldt's Citizen of the Year in 2010.

Bob Jeanneau (Director) – Mr. Jeanneau has been dedicated to the housing industry since 1967, when he purchased his first apartment building. Bob was also involved in construction in Saskatoon and ownership properties in Regina. He has played key roles in several community organizations, including the Knights of Columbus.

Colleen Mah (Director) – Ms Mah was born and raised in Saskatoon where she attended the University of Saskatchewan, graduating with a Bachelor of Commerce degree in 1976. Upon graduation, she went to work for the Federal Government (known in those days as Revenue Canada-Taxation). In late 1998, she joined the family business, North Ridge Development Corp. She is a licensed Broker-realtor and has been involved in the Saskatoon and Region Home Builders Association as well as the Saskatoon and Region Association of Realtors.

Allan Morin (Director) – Mr. Morin's past experience includes many years as a key member with the Métis Rights Panel and as Minister of Environment for the Métis National Council. Allan's appointments include Minister of Housing, Health and Intergovernmental Affairs for the Métis Nation – Saskatchewan, as well as to the "Centre for the North" as a representative of the Métis National Council. He has also provided his expertise to governments and private sector businesses.

Pat Pitka (Director) – Mr. Pitka is a Chartered Accountant by profession having been a Partner with KPMG in Regina and Saskatoon and has been recognized by the Institute of Chartered Accountants of Saskatchewan with the distinction of Fellow in 1988. Pat has been involved in the nursing home industry for over 30 years. Currently he is involved in the construction of a 176 suite Assisted and Independent living complex in Saskatoon. He also serves as CFO with a number of organizations.

Ken Acton (Director) – Mr. Acton became a Director on the Board upon his appointment as Deputy Minister of Social Services on January 1, 2012. Ken was born and raised on a farm near Moose Jaw, Saskatchewan and operated the family farm from 1974 until the late 1990s. Ken joined the Saskatchewan Public Service in 1988 and held numerous senior leadership roles with the Ministry of Justice and Attorney General. Ken served as Chair of the Public and Private Rights Board of Saskatchewan from 1990 to 2011 and continues to sit on the Legal Aid Commission Board.

For More Information

For additional copies of this Annual Report, please call 1-800-667-7567 or visit SHC's home page at: http://www.socialservices.gov.sk.ca/housing and click on the "SHC Annual Reports" link. Information on housing programs and services is also available at this website.

Copies of SHC's Annual Reports dating back to 2005 are also available online.

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